

Wessinger-Hill, JoAnne

From: Wessinger-Hill, JoAnne
Sent: Friday, March 27, 2020 11:37 AM
To: 'Samuel J. Wellborn'; Knowles, Alex; Bateman, Andrew; 'fellerbe@robinsongray.com'; Huber, Christopher; 'laurapv@aol.com'; John J. Pringle, Jr.; Grube-Lybarker, Carri; 'jake@mttlaw.com'; 'stefandover@yahoo.com'; 'michael.kendree@yorkcountygov.com'; 'richard@rlwhitt.law'; Dover, Becky; Hall, Roger; 'jim.knowlton@sim.org'
Cc: Butler, David; Dong, Randall; Wessinger-Hill, JoAnne
Subject: RE: 2019-290-WS
Attachments: Blue Granite Reconciliation for Parties - 7.46% ROE.pdf
Importance: High

Dear Counsel and Parties of Record:

Since the information needed was sent late yesterday afternoon following receipt of the requesting letter, please let the Commission Staff know as soon as possible what your position with regard to providing the rates in accordance with the schedule as set by the Commission.

Thank you for your prompt attention to this matter. Please know that the Commission must comply with statutory deadlines and does need time to consider the information filed.

Sincerely,

Jo Anne Wessinger Hill

C. Jo Anne Wessinger Hill, Esq.

Legal Counsel to the Commission

Public Service Commission

State of South Carolina

101 Executive Center Drive, Suite 100

Columbia, SC 29210

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staff is also subject to the provisions of Commission Order No. 2019-748 in Docket No. 2019-329-A and shall be published in the docket for this matter. If you have received this communication in error, please immediately notify us by telephone at (803) 896-5100.

From: Wessinger-Hill, JoAnne

Sent: Thursday, March 26, 2020 5:17 PM

To: Samuel J. Wellborn <swellborn@robinsongray.com>; Knowles, Alex <aknowles@ors.sc.gov>; Bateman, Andrew <abateman@ors.sc.gov>; fellerbe@robinsongray.com; Huber, Christopher <chuber@ors.sc.gov>; laurapv@aol.com; John J. Pringle, Jr. <jack.pringle@arlaw.com>; Grube-Lybarker, Carri <clybarker@scconsumer.gov>; jake@mttlaw.com; stefandover@yahoo.com; michael.kendree@yorkcountygov.com; richard@rlwhitt.law; Dover, Becky <BDover@scconsumer.gov>; Hall, Roger <RHall@scconsumer.gov>; jim.knowlton@sim.org

Cc: Butler, David <David.Butler@psc.sc.gov>; Dong, Randall <Randall.Dong@psc.sc.gov>

Subject: RE: 2019-290-WS

Importance: High

Dear Counsel and Parties of Record:

Attached is the information requested per the letter of the Office of Regulatory Staff, Christopher Huber, dated March 26, 2020. This email along with the attached information will be filed in the DMS.

With kind regards, I am

Jo Anne Wessinger Hill

C. Jo Anne Wessinger Hill, Esq.

Legal Counsel to the Commission

Public Service Commission

State of South Carolina

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staff is also subject to the provisions of Commission Order No. 2019-748 in Docket No. 2019-329-A and shall be published in the docket for this matter. If you have received this communication in error, please immediately notify us by telephone at (803) 896-5100.

From: Butler, David <David.Butler@psc.sc.gov>

Sent: Thursday, March 26, 2020 4:27 PM

To: Wessinger-Hill, JoAnne <JoAnne.Hill@psc.sc.gov>; Dong, Randall <Randall.Dong@psc.sc.gov>

Subject: FW: 2019-290-WS

JoAnne and Randall:

You may want to take a look at this.

David B.

From: Watts, Victoria <vwatts@ors.sc.gov>

Sent: Thursday, March 26, 2020 3:46 PM

To: Samuel Wellborn <swellborn@robinsongray.com>; fellerbe@robinsongray.com; Laura P. Valtorta <laurapv@aol.com>; John J. Pringle, Jr. <jack.pringle@arlaw.com>; Grube-Lybarker, Carri <clybarker@scconsumer.gov>; jake@mttlaw.com; stefandover@yahoo.com; michael.kendree@yorkcountygov.com; richard@rlwhitt.law; Dover, Becky <BDover@scconsumer.gov>; Hall, Roger <RHall@scconsumer.gov>; jim.knowlton@sim.org

Cc: Butler, David <David.Butler@psc.sc.gov>; Huber, Christopher <chuber@ors.sc.gov>; Bateman, Andrew <abateman@ors.sc.gov>; Knowles, Alex <aknowles@ors.sc.gov>

Subject: 2019-290-WS

Attached you will find ORS' letter in the above referenced docket, which was filed with the Commission today.

BLUE GRANITE WATER COMPANY
OPERATING EXPERIENCE, RATE BASE AND RATE OF RETURN - 7.46% ROE
TEST YEAR ENDED JUNE 30, 2019
COMBINED OPERATIONS

Description	(1) Per Books \$	(2) Accounting & Pro Forma Adjustments \$	(3) As Adjusted \$	(4) Effect of Proposed Increase \$	(5) After Proposed Increase \$
Operating Revenue:					
Service Revenue-Water	11,868,922	280,468	12,149,390	2,176,490	14,325,880
Service Revenue-Sewer	10,929,933	504,321	11,434,254	2,785,194	14,219,448
Miscellaneous Revenue	445,566	4,043	449,609	49,482	499,091
Uncollectibles	(250,471)	(7,644)	(258,115)	(52,318)	(310,433)
Total Operating Revenues	22,993,950	781,188	23,775,138	4,958,848	28,733,986
Maintenance Expenses					
Salaries and Wages	2,670,783	(1,344,062)	1,326,721	0	1,326,721
Capitalized Time	(333,423)	73,614	(259,809)	0	(259,809)
Purchased Power	771,660	0	771,660	0	771,660
Purchased Water and Sewer	5,266,724	635,765	5,902,489	0	5,902,489
Maintenance and Repair	3,031,412	880,789	3,912,201	0	3,912,201
Maintenance Testing	314,455	(174,416)	140,039	0	140,039
Meter Reading	112,607	(72,815)	39,792	0	39,792
Chemicals	360,819	(99,043)	261,776	0	261,776
Transportation	238,985	(118,674)	120,311	0	120,311
Operating Exp. Charged to Plant	0	0	0	0	0
Total Maintenance Expenses	12,434,022	(218,842)	12,215,180	0	12,215,180
General Expenses					
Salaries and Wages	871,623	538,807	1,410,430	0	1,410,430
Office Supplies and Other Office Exp	1,980,731	(1,564,724)	416,007	0	416,007
Regulatory Commission Exp	138,293	164,724	303,017	0	303,017
Pension and Other Benefits	779,623	(165,041)	614,582	0	614,582
Rent	97,022	0	97,022	0	97,022
Insurance	348,323	163,371	511,694	0	511,694
Office Utilities	491,952	(98,634)	393,318	0	393,318
Outside Services	1,062,984	(188,889)	874,095	0	874,095
Non-Utility Misc Income	442,691	(442,691)	0	0	0
Miscellaneous	61,301	4,566	65,867	0	65,867
Total General Expenses	6,274,543	(1,588,511)	4,686,032	0	4,686,032
Depreciation	1,788,412	1,494,488	3,282,900	0	3,282,900
Amortization of CIAC	(406,510)	(538,846)	(945,356)	0	(945,356)
Taxes Other Than Income	3,499,587	166,467	3,666,054	26,423	3,692,477
Income Taxes - Federal	(431,984)	68,529	(363,455)	984,019	620,564
Income Taxes - State	(185,161)	126,416	(58,745)	246,621	187,877
Sale of Utility Property	(20,253)	20,253	0	0	0
Amort. Investment Tax Credit	(8,854)	0	(8,854)	0	(8,854)
Amortization of PAA	(15,713)	0	(15,713)	0	(15,713)
Total Other Expenses	4,219,524	1,337,307	5,556,831	1,257,063	6,813,894
Total Operating Expenses	22,928,089	(470,046)	22,458,043	1,257,063	23,715,106
Net Operating Income	65,861	1,251,234	1,317,095	3,701,785	5,018,880
Customer Growth	0	0	0	78,664	78,664
Interest During Construction	(172,635)	172,635	0	0	0
Net Income For Return	238,496	1,078,599	1,317,095	3,780,449	5,097,544
Original Cost Rate Base:					
Gross Plant In Service	103,656,698	415,288	104,071,986	0	104,071,986
Accumulated Depreciation	(16,190,845)	3,337,761	(12,853,084)	0	(12,853,084)
Net Plant In Service	87,465,853	3,753,049	91,218,902	0	91,218,902
Deferred Charges	0	7,362,033	7,362,033	0	7,362,033
Cash Working Capital	1,680,231	(305,391)	1,374,840	0	1,374,840
Contributions in Aid of Construction	(20,300,003)	2,205,788	(18,094,215)	0	(18,094,215)
Accumulated Deferred Income Taxes	(3,522,916)	0	(3,522,916)	0	(3,522,916)
Customer Deposits	(334,350)	0	(334,350)	0	(334,350)
Advances in Aid of Construction	0	0	0	0	0
Plant Acquisition Adjustment	(831,277)	0	(831,277)	0	(831,277)
Excess Book Value	0	(464,646)	(464,646)	0	(464,646)
Total Rate Base	64,157,538	12,550,833	76,708,371	0	76,708,371
Return on Rate Base	0.37%		1.72%		6.65%
Operating Margin After Interest Exp.	-6.91%		-3.17%		10.54%
Return on Equity					7.46%
Interest Expense for Oper. Margin	1,828,315	241,474	2,069,789		2,069,789